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FM AMEMBASSY BUENOS AIRES
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RUCNMER/MERCOSUR COLLECTIVE
RUCPDOG/USDOC WASHINGTON DC

UNCLAS BUENOS AIRES 000634

EEB/TPP/IPE FOR RWATTS, RWALLACE AND CLACROSSE
DEPT PLS PASS TO USTR JCGROVES, KDUCKWORTH
DOC/ITA/MAC/OIPR FOR CATHERINE PETERS AND JENNIFER BOGER
PLEASE PASS TO USPTO JURBAN AND LOC STEPP
SAO PAULO FOR USPTO DMAZURKEVICH

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [KIPR](#) [ETRD](#) [ECON](#) [AR](#)
SUBJECT: Argentina: Negative Reaction to Special 301 Priority Watch
List Designation

REF: STATE 45063

1. (SBU) GoA interlocutors in the Foreign Ministry reacted negatively to USTR's placement of Argentina on the Special 301 Priority Watch List (PWL) for the thirteenth straight year. Econoff delivered Reftel demarche to Luis Niscovolos, Director of Multilateral Economic Negotiations in the Argentine Foreign Ministry, and Deputy Director Conrado Solari-Yrigoyen on May 2. As the Special 301 report was already public, both noted that PWL was currently the worst status in the report, and that several other countries on the 2007 PWL had been upgraded to Watch List status. They argued that Argentina's IPR regime was fully TRIPS-compliant. Both officials questioned why report language on Argentine Customs' activity was unchanged, despite the fact that the agency's "Trademark Fraud" program was put into effect in 2007, and that seizures of counterfeit goods had increased considerably compared to 2006. Econoff highlighted language about addressing outstanding issues through closer cooperation in the coming year, and noted that the GoA did not take advantage of USTR's invitation to provide comments prior to this year's 301 determination. Solari-Yrigoyen asked how they might do so next year, and Econoff passed the 2008 Special 301 Federal Register notice.

2. (SBU) Turning to La Salada, the Argentine informal market singled out in the "Notorious Markets" section of the report, Niscovolos argued that La Salada "doesn't have an IP dimension," but rather problems in the areas of tax collection, informal labor, and environmental concerns. He acknowledged that some goods which infringe copyrights are sold in La Salada, but said that trademark violations (using fake Rolexes as an example) were aimed at different market segments than the originals and therefore shouldn't be of concern. He also objected to the assertion that "criminal gangs" are reputed to operate in La Salada.

3. (SBU) The officials also inquired about the nature of the "training project" funded by the USG in the Tri-Border region shared with Paraguay and Brazil, as cited in that section of the report. Econoff was not aware of a current program involving Argentina, but promised to seek clarification. (NOTE: We understand from EEB/IPE that this refers to a program begun in 2004 and intended for Paraguayan officials.)

WAYNE